

FISCAL NOTE

SB 992 - HB 1296

April 3, 2005

SUMMARY OF BILL: Limits the number of hours a licensed nurse employed in a hospital or nursing home must work to 12 hours per day or 60 hours during a seven-day period. Exempts the nurse for emergency situations or when the employer makes reasonable efforts to obtain other staffing. Prevents adverse actions against an employee who refuses overtime in excess of the limits.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Could increase hospital and nursing home labor costs that will be passed on through higher facility charges which would result in an increase in expenditures for the state and local govt. health insurance plans and an increase to the TennCare program MCOs reimbursement to hospitals. Such an increase in expenditures could exceed \$1,000,000 (\$360,000 in state funds and \$640,000 in federal funds) to the TennCare program.

Potential Impact on Health Insurance Premiums (required by Tenn. Code Ann. § 3-2-111): Any increase in hospital rates will result in an increase in health insurance premiums which cannot be determined.

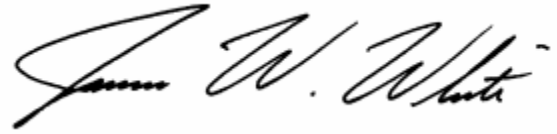
Assumptions:

- TennCare MCOs will increase reimbursement to hospitals.
- Increased nursing home costs will be passed through in the funding formula which could increase expenditures in an amount exceeding \$1,000,000 (\$360,000 in state funds and \$640,000 in federal funds) to the TennCare program.
- To the extent that such individuals were choosing to be employed by a hospital or a developmental center, this bill could make the recruitment of nurses more difficult due to developmental centers employing mandatory overtime.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

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A handwritten signature in black ink, reading "James W. White". The signature is written in a cursive style with a large, stylized "J" and "W".

James W. White, Executive Director